-m/049/009* m/049/024 E/049/046

DIV. OF OIL, GAS & MINING

Chief Consolidated Mining Company C/o 1629 Locust Street Philadelphia PA 19103 215.546.8585

December 24, 2004

Mr. Daron Haddock Utah Department of Natural Resources Division of Oil, Gas & Mining 1594 West North Temple Suite 1210 Box 145801 Salt Lake City, UT 84114

Dear Mr. Haddock,

I am writing to follow up on our previous correspondence (copy enclosed) in regards to Chief's request for a moratorium on further enforcement actions. Chief did receive an extension from the Utah Department of Natural Resources until January 12, 2005. However we have just recently been notified by the Federal Court that the hearing on the proposed Consent Decree has been scheduled for January 24, 2005 in Salt Lake City. Accordingly, Chief requests an additional 90 day moratorium until April 12, 2005.

Please contact me with any further questions.

Pichaed R. Schut

Sincerely,

Richard R. Schreiber

President

IN THE UNITED STATES DISTRICT COURT DISTRICT OF UTAH

USA,

Plaintiff,

NOTICE

vs.

Chief Consol Mining,

Defendant.

Case No. 2:04-cv-00891

TYPE OF CASE

CIVIL

PLEASE TAKE NOTICE that a proceeding in this case has been set for hearing before Honorable Bruce S. Jenkins at:

> Room 420 350 South Main Street Salt Lake City, Utah

On Monday, 1/24/05 at 1:30 pm

TYPE OF PROCEEDING: To Consider the Motion of the United States to Enter Consent Decree

> MARKUS B. ZIMMER, Clerk of Court

> > Aaron Paskins By: Deputy Clerk

DATE: December 17, 2004

United States District Court for the District of Utah December 17, 2004

* * CERTIFICATE OF SERVICE OF CLERK * *

Re: 2:04-cv-00891

True and correct copies of the attached were either mailed, faxed or e-mailed by the clerk to the following:

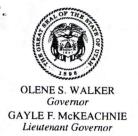
John Natalie Moscato, Esq. US DEPARTMENT OF JUSTICE ENVIRONMENTAL DEFENSE 999 18TH STREET STE 945 DENVER, CO 80202 EMAIL

Thomas L. Sansonetti, Esq. ENVIRONMENTAL NATURAL RESOURCES DIVISION US DEPARTMENT OF JUSTICE PO BOX 7611 WASHINGTON, DC 20044-7611

Carol Rushin
US ENVIRONMENTAL PROTECTION AGENCY
999 18TH STREET, STE 300
DENVER, CO 80202-2466

Richard R. Schreiber 1629 LOCUST ST PHILADELPHIA, PA 19103

F. Alan Fletcher UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY 168 N 1950 W SALT LAKE CITY, UT 84114-4840



To the following Permittee or Operator:

State of Utah

DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining

ROBERT L. MORGAN Executive Director LOWELL P. BRAXTON Division Director FILE COPY

Page 1 of 1

MODIFICATION of Notice of Violation / Cessation Order

Name: Tintic Utah Metals, LLC, Attn: Richard Schreib	er	
Mailing Address: Chief Gold Mines, Inc., 1629 Locust S		
Mine Name: Apex / Burgin Project	Permit Number	er: M/049/009
Utah Mined Land Reclamation Act, Section 40-8-1 et. sec	q., Utah Code Annotated (1953):	
Notice of Violation No	Dated	
Cessation Order No: MC-04-01-04(1)	Dated October 8, 2004	
Part1_ of1_ is modified as follows:Abatement tir	ne extended to January 12, 2005 - maxim	num time allowed
Reason for modification is: As per request received November	r 5, 2004.	
Part of is modified as follows:		3.000
Reason for modification is:		
Date of service/mailing: Nov 5, 2004	Time of samina/mailing 7:	20 = 0 m
Date of service/maining.	Time of service/mailing 3:3	<u>oo</u> ⊔ a.m. µ p.m.
Date of inspection:		
Permittee or Operator Representative	Title	
	<u> </u>	
Signature		
Lynn Kunzler	Environmental Scientist/Rec	lamation Biologist
Division of Oil, Gas & Mining Representative	Title	
1-161		
S. T. J. J.	- 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
Signature /		
O:\M049-Utah\M0490009-ApexBurgin\non-compliance\CO-modify-M0	C-04-01-04-1.doc	



Chief Consolidated Mining Company c/o 1629 Locust Street Philadelphia PA 19103

VIA FACSIMILE and US Mail

November 5, 2004

Mr. Daron Haddock Utah Department of Natural Resources Division of Oil, Gas & Mining 1594 West North Temple Suite 1210 Box 145801 Salt Lake City, UT 84114

FILE COPY

Dear Mr. Haddock

As we discussed this morning, I am writing to request a 90 day moratorium on further enforcement actions related to Chief's permits for the various Trixie and Burgin mines. Chief suspended all mining activities in the spring of 2002, and has since been unable to raise new money to restart due to the naming of Chief as a Potentially Responsible Party by the U.S. EPA in regards to the Eureka Superfund Project. Since that time, Chief has had no employees, bank accounts, etc. As the last remaining director, I have acted on an unpaid basis to try to negotiate a settlement with the various regulatory agencies which could lead to a viable company in the future. We have recently entered into a proposed Consent Decree with the Department of Justice which, if approved by the Federal Judge. would define Chief's obligations and limitations in regards to the costs of the cleanup. This Consent Decree started a 30 day publishing and public comment period in the Federal Register on October 15, 2004, so we expect to have a final approval soon. Assuming that the proposed Consent Decree is entered by year end 2004, Chief intends to raise new capital to clean up back payables (specifically including Utah mining license fees) and re-hire the work force to resume mining. If the proposed Consent Decree is not approved, Chief would presumably file for bankruptcy and let the courts sort it all out.

Accordingly, Chief respectfully requests a 90 day extension or moratorium on further fines, by which time we will all know if there is a company and employer worth saving. Please contact me with any further questions.

Sincerely,

Richard R. Schreiber President